

Message Text

CONFIDENTIAL

PAGE 01 STATE 111806
ORIGIN DOE-15

INFO OCT-01 EUR-12 ISO-00 SOE-02 /030 R

DRAFTED BY DOE/IA: DJALBERT:GLF
APPROVED BY DOS/EUR/BGARLAND
DOE/IA: JTREAT

-----002576 022238Z /66

P 022101Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA PRIORITY
INFO AMCONSUL WINNIPEG PRIORITY

C O N F I D E N T I A L STATE 111806

PASS TO GARY POSZ

E.O. 11652:

TAGS: ENRGY, CA

SUBJECT: ELECTRICITY EXCHANGES

1. THE DEPARTMENT OF ENERGY'S WESTERN AREA POWER ADMINISTRATION HAS BEEN APPROACHED BY THE PROVINCIAL UTILITY MANITOBA HYDRO CONCERNING THE POSSIBILITY OF ADVANCING THE CONSTRUCTION OF A CANADIAN HYDROELECTRIC PROJECT ON THE NELSON RIVER AND DEDICATING THE POWER OUTPUT (ABOUT 1000 MW) TO THE U.S. FOR ABOUT 15 YEARS.

2. DOE IS AWARE OF THE CURRENT SALES AND INTER-CONNECTIONS THAT MANITOBA HAS WITH OTHER CANADIAN PROVINCES AND WITH THE U.S. HOWEVER, IT IS OUR UNDERSTANDING THAT TO DATE MANITOBA HYDRO POLICY HAS BEEN TO PROVIDE ELECTRICAL GENERATION TO MEET THE NEEDS OF THE PROVINCE FIRST, AND THEN TO MAKE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 111806

USE OF THE INTERCONNECTIONS TO SELL SURPLUS ENERGY WHEN AVAILABLE. DISCUSSIONS HAVE THEREFORE BEEN TENTATIVE SINCE THERE HAS NOT YET BEEN A FORMAL CHANGE IN PROVINCIAL POLICY TO PROVIDE FOR ADVANCED CONSTRUCTION.

3. NONETHELESS, THE CONCEPT OF MANITOBA HYDRO

ADVANCING THE CONSTRUCTION OF A POWER PLANT AND

DEDICATING THE POWER TO THE U.S. FOR A FIXED PERIOD
DESERVES CONSIDERATION. CONSEQUENTLY, DOE INTENDS
TO CONDUCT A PRELIMINARY STUDY OF MANITOBA'S PROPOSAL
INCLUDING THE ROUGH COSTING OF THE TRANSMISSION
SYSTEMS THAT WOULD BE REQUIRED IN THE U.S. DOE
WILL ALSO ASSESS THE COSTS OF ALTERNATIVE SOURCES
OF ELECTRICITY WITHIN THE U.S.

4. IN PREPARING THEIR FEASIBILITY ANALYSIS DOE
WOULD LIKE TO ADDRESS THE QUESTION OF POLITICAL SECURITY
AND RELIABILITY OF A LONG-TERM CONTRACT WITH MANITOBA
HYDRO. CONSEQUENTLY, WE WOULD APPRECIATE RECEIVING
FROM THE EMBASSY THE FOLLOWING:

A COMPREHENSIVE ASSESSMENT OF THE CURRENT POLITICAL
SITUATION IN MANITOBA;

PROJECTION OF PROVINCIAL POLITICAL TRENDS;

BASED ON THE EMBASSY'S BEST JUDGMENT, CAN USG RELY
ON THE PROVINCE TO ABIDE BY AN AGREEMENT TO DEDICATE
ELECTRICITY SALES TO THE U.S. FOR A 15-YEAR PERIOD;
AND

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 111806

FINALLY, GIVEN THAT THE GENERAL POLICY OF ALL THE
PROVINCES IS TO ONLY SELL SURPLUS POWER TO THE
U.S., WILL OTHER PROVINCIAL UTILITIES TRY TO BLOCK
MANITOBA HYDRO'S PROPOSAL ONCE IT IS MADE PUBLIC OR
APPEARS BEFORE THENEB? WHAT IS LIKELY GOC POSITION?

5. WE NOTE THAT, WHILE MANITOBA'S PROPOSAL IS A FALL-OUT
FROM THE RECENT DISCUSSIONS BETWEEN DOE AND EM&R REGARDING
A JOINT STUDY ON ELECTRICITY EXCHANGES, OTTAWA MAY NOT BE
AWARE OF MANITOBA'S APPROACH TO WESTERN AREA POWER ADMIN-
ISTRATION. EMBASSY SHOULD THEREFORE INFORM EM&R AND NEB
OFFICIALS AT APPROPRIATE LEVEL OF MANITOBA HYDRO'S
APPROACH AND OF DOE'S INTENTION CARRY OUT TECHNICAL
ANALYSIS.

6. DOE WOULD APPRECIATE RESPONSE BY MAY 5. VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, INTERGOVERNMENTAL COOPERATION, ELECTRIC POWER PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE111806
Document Source: CORE
Document Unique ID: 00
Drafter: DJALBERT:GLF
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780187-0675
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197805101/aaaadidx.tel
Line Count: 110
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 973c4693-c288-dd11-92da-001cc4696bcc
Office: ORIGIN DOE
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2514277
Secure: OPEN
Status: NATIVE
Subject: ELECTRICITY EXCHANGES
TAGS: ENRG, CA, US
To: OTTAWA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/973c4693-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014